



BUTLER HEALTH SYSTEM EXPANSION PROJECT

Butler, Pennsylvania

CLIENT CONTACT

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Chief Executive Officer
Butler Health System

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Funding Secured:
\$13.4 million over 20 years

Job Creation Potential:
516 jobs at full build-out

CONTACT

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The Challenge

Butler Health System (BHS) is an independent, community-based healthcare system that has provided comprehensive care to the 189,000 residents of Butler County and seven surrounding counties since 1898. Butler Memorial Hospital is the system's flagship facility, a 259-bed acute care hospital on a 23-acre campus straddling the City of Butler and neighboring Butler Township.

Faced with an aged facility, a severely strained emergency department, and inadequate space to more effectively serve the growing demand for healthcare services within its primary service area, BHS needed to undertake an extensive \$149 million capital improvement and expansion project. The expansion plan would solidify the hospital's role as an advanced, acute care facility and strengthen the delivery of outpatient services within the healthcare delivery system.

The Solution

Butler Health System (BHS) hired Delta to develop and implement a comprehensive public funding strategy to more effectively leverage its own funding commitment in support of the proposed expansion plan. Delta worked with hospital management to secure the support of key project stakeholders in seeking funding through the Commonwealth's Infrastructure and Facilities Improvement Program (IFIP). A key component of Governor Rendell's economic stimulus package, the IFIP provides annual grants to local issuers of debt (e.g., public authorities) that, in turn, finance eligible infrastructure and facility improvement costs through conventional loans or bond issues. The annual state grant is effectively "reimbursed" by the new state taxes generated by the project.

BHS was awarded a \$13.4 million IFIP grant, or \$670,000 per year for the next 20 years, to help defray debt service costs associated with the project. This infusion of public funding will help BHS undertake a renovation and expansion plan at its existing campus that will eliminate overcrowded conditions, centralize patient records, and improve access to the hospital and its growing outpatient network.

The Butler Health System (BHS) expansion project is expected to create as many as 230 jobs over the next four years, with an additional 286 jobs created by 2016.

